In Brief

The future of work in America

Much of the research on automation, including our own, has focused on the potential for job displacement and has taken a national-level view. This report looks beneath the national numbers to examine the present and potential future of work for different people and places across America. Local economies across the country have been on diverging trajectories for years, and they are entering the automation age from different starting points. Our view incorporates the current state of local labor markets as well as the jobs that could be lost and gained in the decade ahead.

— Our analysis of 315 cities and more than 3,000 counties shows that the United States is a mosaic of local economies with widening gaps between them. Twenty-five megacities and high-growth hubs, where 96 million people live, have generated most of the nation's job growth since the Great Recession. These are the nation's most dynamic places, with high-growth industries, many high-wage jobs, and young, educated workers but notable inequality. By contrast, 54 trailing cities and roughly 2,000 rural counties, collectively home to 78 million people, have older and shrinking workforces, higher unemployment, and lower educational attainment. Between these extremes are thriving niche cities and a larger "mixed middle" with modest economic growth; 94 million people live in these segments.

— These diverse starting points affect whether communities will have the momentum to offset automation-related displacement. The same 25 cities and peripheries that led the post-recession recovery could capture 60 percent of US job growth through 2030. The mixed middle and trailing cities are positioned for modest job gains, but rural counties could see a decade of flat or even negative net job growth. These shifts are occurring when geographic mobility is at historic lows.

— The next wave of automation will affect occupations across the country, displacing many office support, food service, transportation and logistics, and customer service roles. At the same time, the economy will continue to create jobs, particularly roles in healthcare, STEM fields, and business services, as well as work requiring personal interaction. While there could be positive net job growth at the national level, new jobs may not appear in the same places, and the occupational mix is changing. The challenge will be in addressing local mismatches and help workers gain new skills.

— Labor market outcomes vary across demographic groups today, and automation could amplify these patterns. Individuals with a high school degree or less are four times more likely to hold highly automatable roles than those with bachelor's degrees. Given educational disparities, Hispanic and African-American workers may be hit hardest, with 12 million displaced. Nearly 15 million jobs held by young people could be lost, raising questions about career pathways. Workers over age 50 hold an additional 11.5 million at-risk jobs. The share of middle-wage jobs may shrink as growth concentrates at the high and low ends of the wage scale.

— Employers seeking to make the most of automation for innovation and productivity will need to manage complex transitions. The challenges vary depending on the nature, mix, and geographic footprint of their workforces, as we illustrate through profiles of six types of employers. The questions facing a retail or food chain with a distributed customer-facing workforce, for example, are not the same as those for an employer with a geographically concentrated white-collar workforce. All employers will need to make adept decisions about strategy, investment, technology, workflow redesign, talent needs and training, and the potential impact on the communities in which they operate.

— Communities need to prepare for this wave of change, focusing in particular on job matching and mobility, skills and training, economic development and job creation, and support for workers in transition. They can draw on a common toolbox of solutions, but the priorities vary from place to place—from affordable housing in major cities to digital infrastructure that enables remote work in rural counties.

Without bold, well-targeted interventions, automation could further concentrate growth and opportunity. But these trends are not set in stone. It is possible to turn this period of technological change into an occasion to create more rewarding jobs and build better learning systems and career pathways. The United States needs the energy and ingenuity of its private and public sectors, as well as local coalitions working on the ground in communities. A fresh commitment to investing in people and places can lift up more Americans from coast to coast.

America is a mosaic of local economies on diverging trajectories

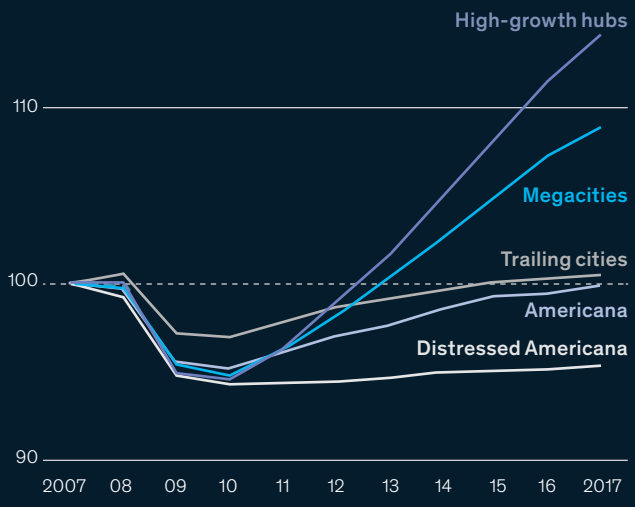
Automation could widen existing disparities

13 community segments have varying economic and demographic profiles

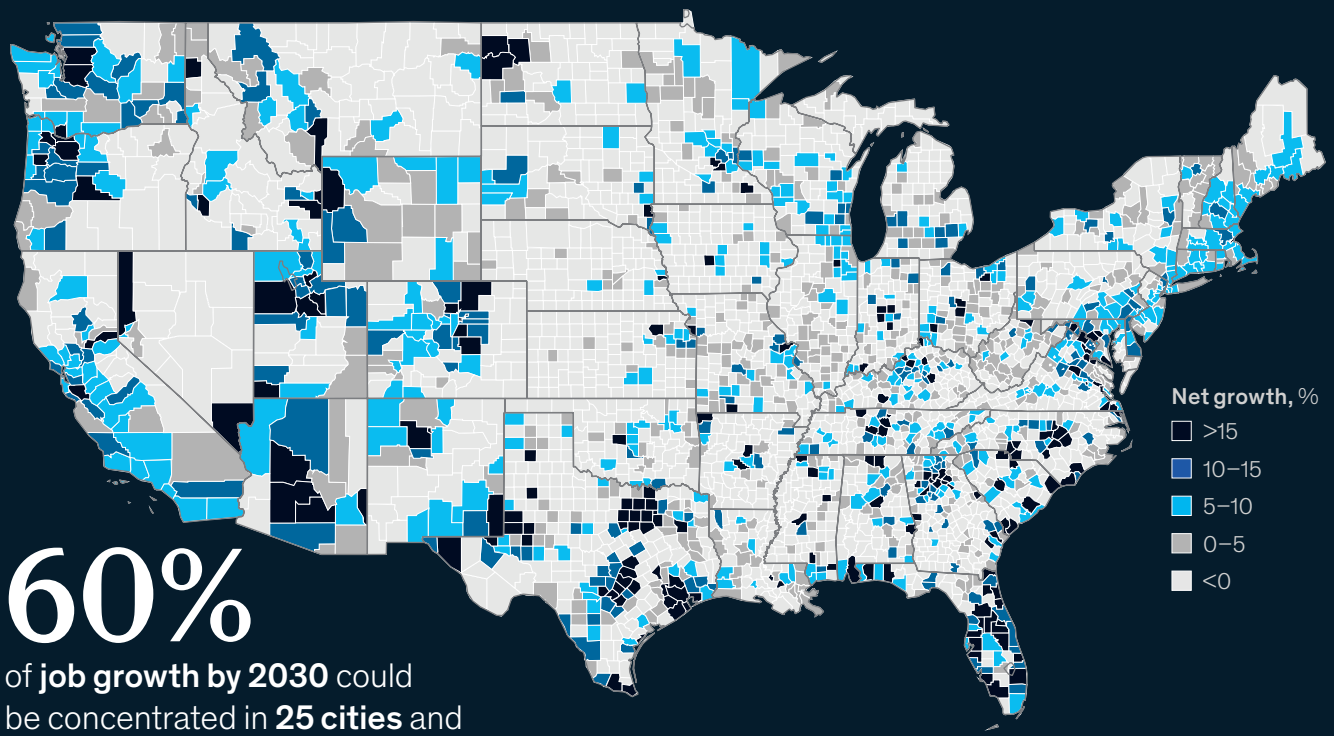
Economic dynamism: Most → Least

Urban core Megacities; High-growth hubs	63 counties	30% of US population
Periphery Urban periphery	271 counties	16% of US population
Niche cities Small powerhouses; Silver cities; College-centric towns	89 counties	6% of US population
Mixed middle Stable cities; Independent economies; America's makers	325 counties	24% of US population
Low-growth/rural areas Trailing cities; Americana Distressed Americana; Rural outliers	2,365 counties	24% of US population

Employment change for select community segments, % of 2007 employment



Estimated net job growth in midpoint adoption scenario, 2017–30, %



60%

of **job growth by 2030** could be concentrated in **25 cities** and their peripheries

Potential workforce displacement in midpoint adoption scenario, 2017–30

14.7M
Young workers age 18–34

11.5M
Workers over age 50

11.9M
Hispanics and African Americans

4x
Higher displacement risk for workers with high school diploma or less

McKinsey Global Institute

Source: McKinsey Global Institute analysis